



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
Tel: 510.464.7700
TDD/TTY: 510.464.7769
Fax: 510.464.7848

Memorandum

TO: Commission

DATE: June 20, 2007

FR: Executive Director

RE: Proposition 1B Regional Transit Funding – Resolution 3814

At its May meeting, the Commission approved a motion to continue this item to the June 27th meeting to provide more time to resolve the Caltrain Right-of-Way issue and consider the BART Board match proposal for the East Contra Costa and Warm Springs BART extension projects. The Commission directed staff to develop funding options for consideration on June 27th. This memo outlines the original staff proposal and three additional options. Further analysis is included in the attached Powerpoint presentation.

Summary

At its January meeting, the Legislation Committee directed staff to prepare a draft proposal for the Proposition 1B Population-based Transit capital funding, with an emphasis on how these funds might help address the needs of low-income and minority communities.

The staff proposal, released at the March 7, 2007 Programming and Allocations Committee meeting, developed a framework for the distribution of the roughly \$347 million in Proposition 1B Regional Transit capital funds and the \$72 million in uncommitted State Transit Assistance (STA) regional discretionary funds estimated to be available over the next ten years.

After the March meeting and with input from advisory committees, partner agencies and the public, staff released a revised proposal for the May 9, 2007 Programming and Allocations Committee.

At the May 9th committee meeting, staff was directed to continue working with the partner agencies on the Caltrain Right-of-Way (ROW) issue, consider an offer from the BART Board to provide \$20 million Proposition 1B-revenue funds each to the East Contra Costa and Warm Springs BART extension projects if MTC would match with Proposition 1B-population funds, and review the request to eliminate the match requirement for Small Operator Capital funds.

On the Caltrain ROW condition, discussions between San Francisco, San Mateo, and Santa Clara officials have been on-going. We will present an update – and, we hope, a resolution of this issue – at the June 27th Commission meeting.

Proposal Options

The chart below outlines the staff proposal and three additional options for funding the BART projects. Additional funding detail on each option is included in the Powerpoint presentation.

Proposed Investment Category	May 9th Staff			
	Proposal	Option #1	Option #2	Option #3
Lifeline Funding for Transit Operators	153	134	139	143
Urban Core Transit Improvements	169	209	209	203
Small Operators - Operating Enhancements	41	41	41	41
Small Operators - Capital Improvements	35	35	30	32
Zero Emission Buses	10	0	0	0
Program Reserves	11	0	0	0
Total	419	419	419	419

Option 1

Accept BART's \$40 million match offer. To make room for the additional \$40 million, funding for the Program Reserve (\$11 million) and the Zero Emission Bus (ZEB) program (\$10 million) is eliminated. The remaining \$19 million is deducted from the Lifeline program.

Option 2

Accept BART's \$40 million match offer. To make room for the additional \$40 million, funding for the Program Reserve (\$11 million) and ZEB program (\$10 million) is eliminated. The remaining \$19 million is deducted proportionally from the Lifeline program and the Small Operator Capital program.

Option 3

Accept BART's match offer at a proportionally reduced amount of \$34 million (\$6 million less than the request). To make room for the additional \$34 million, funding for the Program Reserve (\$11 million) and the ZEB program (\$10 million) is eliminated. The remaining \$13 million is deducted proportionally from the Lifeline program and the Small Operator Capital program.

The options assume a static funding level of \$419 million. Should the final enacted FY 2007-08 State Budget include Spillover revenues, these and future Spillover revenues could backfill any reductions made to the Lifeline, Small Operator or Urban Core programs.

Under all options, staff recommends that Attachments A and B to Resolution 3814 be amended as follows:

1. Increase by \$11 million operating funding to the Lifeline program as a result of shifting prior reserve funds (Attachment A);
2. Elimination of the match requirement for Small Operator Capital funds (Attachment B, #10);
3. Increasing the commitment by \$10 million, for a total of \$20 million, in federal formula program funds for the ZEB program to replace the Proposition 1B funds (Attachment B, #11); and
4. Any programmatic reductions in the approved option will be restored through FY 2007-08 and future Spillover revenues. (Attachment B, new general term)

Staff recommends that the above four modifications be included with the option selected by the Commission. Once the Commission adopts an option, the attached resolution will be updated to reflect the Commission action.

Steve Heminger

Attachment

J:\COMMITTEE\Commission\2007\June 2007\Prop 1B Transit-June 2007 memo.doc

Date: June 27, 2007
W.I.: 1515
Referred by: PAC

ABSTRACT

Resolution No. 3814

This resolution adopts the programming framework for the Proposition 1B Regional Transit Funding Program for the San Francisco Bay Area.

Further discussion of this action is contained in the MTC Executive Director's Memorandum dated May 9, 2007.

Attachment A	Proposition 1B Investment Categories
Attachment A-1	Estimated Uncommitted STA Base and Proposition 42 Investment Categories
Attachment B	Terms and Conditions

Date: June 27, 2007
W.I.: 1515
Referred by: PAC

RE: Programming Framework for the Proposition 1B Regional Transit Funding Program

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3814

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, MTC has adopted, pursuant to Government Code Sections 66508 and 65080, a Regional Transportation Plan (RTP); and

WHEREAS, Senate Bill 1266 (Statutes 2006, Chapter 25) establishes the Public Transportation Modernization, Improvement, and Service Enhancement Account as part of the Highway, Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Government Code 8879.20 *et seq.*) ; and

WHEREAS, MTC is the recipient of the population-based funding in the Public Transportation Modernization, Improvement, and Service Enhancement Account and State Transit Assistance (STA) funds pursuant to Public Utilities Code Section 99313 and 99314; and

WHEREAS, MTC is the recipient of the population-based State Transit Assistance (STA) funds pursuant to Public Utilities Code Section 99312; and

WHEREAS, MTC has developed, in cooperation with partner agencies and public input, a Programming Framework for the Proposition 1B Regional Transit Funding Program, including additional STA base and Proposition 42 funding estimated to be available between FY 2008-09 and FY 2017-18 after meeting existing commitments; and

WHEREAS, staff has prepared program priorities for the Proposition 1B funding established in Attachment A and subject to conditions in Attachment B, said attachments attached hereto and incorporated herein as though set forth at length; and

WHEREAS, staff has prepared program priorities for the additional STA Base and Proposition 42 funds, after considering existing commitments between FY 2008-09 and FY 2017-18, established in Attachment A-1, attached hereto and incorporated herein as though set forth at length, and subject to conditions in Attachment B; and

WHEREAS, a public comment and input period was held between March 7, 2007 and May 1, 2007 on the Programming Framework for the Proposition 1B Regional Transit Funding Program; and

WHEREAS, MTC's Programming and Allocations Committee has considered public comments and input and recommends adoption of the Programming Framework for the Proposition 1B Regional Transit Funding Program; now, therefore, be it

RESOLVED, that MTC adopts the Programming Framework for the Proposition 1B Regional Transit Funding Program, attached hereto as Attachment A and A-1 and finds it consistent with the RTP or proposed changes to the RTP; and, be it further

RESOLVED, that staff is directed to identify and adopt annual priorities for the Proposition 1B funding based on annual appropriation levels set by the Legislature, project cash flow needs, and funding limits and conditions established in Attachments A and B; and

RESOLVED, that staff is directed to identify a specific allocation method for State Transit Assistance (STA) Population Base and Proposition 42 funds, identified in Attachment A-1, no later than December 2007, before the development of the FY 2008-09 Fund Estimate; and

RESOLVED, that staff prepare amendments to the existing STA Population-Based Policy (MTC Resolution 2310) to incorporate the funding allocation established to allow annual estimates for programs in Attachment A-1 for further Commission review and approval; and

RESOLVED, that MTC's adoption of the Programming Framework for the Proposition 1B Regional Transit Funding Program is for planning purposes only, with each project still subject to MTC's project review and application approval pursuant to MTC Resolution Nos. 3115 and 3075; and, be it further

RESOLVED, that the Executive Director shall forward a copy of this resolution, and such other information as may be required to the California Transportation Commission, Caltrans, and to such other agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

Bill Dodd, Chair

The above resolution was entered
into by the Metropolitan Transportation
Commission at a regular meeting
of the Commission held in Oakland,
California, on June 27, 2007.

Date: June 27, 2007
W.I.: 1515
Referred by: PAC

Attachment A
Resolution No. 3814
Page 1 of 1

Proposition 1B Commitments

Investment Category	Source	Amount (in millions)
Lifeline		
Lifeline Funding for Transit Operators	Prop 1B	133
Subtotal - Lifeline Program		133
Urban Core Transit Improvements		
BART to SFO/Warm Springs	Prop 1B	24
San Francisco Muni Central Subway	Prop 1B	100
Santa Clara VTA Line 522/523 Bus Rapid Transit	Prop 1B	45
Subtotal - Urban Core Transit Improvements		169
Small Operators/North Counties		
Small Operators - Capital Improvements	Prop 1B	35
Subtotal - Small Operators		35
Zero Emission Bus Program		
ZEB AC Transit	Prop 1B	6
ZEB Santa Clara VTA	Prop 1B	4
Subtotal - Zero Emission Buses		10
Total		\$347

Note: Based on Bay Area population share of Proposition 1B Transit, using 19% of \$1.5 billion statewide population total.

Date: June 27, 2007
W.I.: 1515
Referred by: PAC

Attachment A-1
Resolution No. 3814
Page 1 of 1

STA Base and Proposition 42 Estimates
(Based on 10-year revenue forecast: FY 2008-09 to FY 2017-2018)

Investment Category	Source	Estimated Amount (in millions)
Lifeline		
Lifeline Funding for Transit Operators	STA Base	20
Subtotal - Lifeline Program		20
Small Operators/North Counties		
Small Operators - Operating Enhancements	STA Prop 42	41
Subtotal - Small Operators		41
Program Reserve		
Program Reserves	STA Base	6
Program Reserves	STA Prop 42	5
Subtotal - Program Reserves		11
Total		\$72

Note: Based on estimated funding using revenues included in September 2006 Short Range Transit Plans and after considering existing program commitments.

Date: June 27, 2007
W.I.: 1515
Referred by: PAC

Attachment B
Resolution No. 3814
Page 1 of 1

Terms and Conditions

General Terms

1. Up to \$32 million in Regional Coordination expenses may be swapped to Prop 1B capital funds to increase the operating capacity within the augmented Lifeline program.

Lifeline

2. The Lifeline program will be administered through the existing county-level process managed by the congestion management agencies (and co-administered in Santa Clara County by VTA and the County Social Services Agency). Project selection will be determined county by county based on priorities developed through the local Community Based Transportation Plan or an equivalent as identified in the Lifeline Transportation Program guidelines. Additional projects identified by transit operators that benefit low-income residents may also be eligible if approved through the countywide project evaluation process.
3. Funding amounts in the Lifeline program will be assigned to each county, based on that county's share of poverty population reported in the 2000 Census. The county distribution percentages may be revisited when 2010 Census information is available.

Urban Core

4. The BART to SFO/WSX funds are subject to MTC Resolutions 3795, 3147, and 3767 that govern the BART-SFO Settlement Agreement.
5. Other projects in the Urban Core Transit Improvements category shall match the Proposition 1B contribution with a 1:1 match using the Proposition 1B Transit Revenue-based funds.
6. Other projects in the Urban Core Transit Improvements category shall demonstrate a full funding plan.
7. Proposition 1B funding for the Santa Clara VTA Line 522/523 Bus Rapid Transit and the San Francisco Muni Central Subway is contingent upon settlement of outstanding Caltrain Right-of-Way issues between Santa Clara VTA, SFMTA, and Samtrans.

Small Operators/Northern Counties

8. Eligible agencies for the Small Operator/Northern Counties funding category are: Central Contra Costa Transit Authority, Eastern Contra Costa Transit Authority, Livermore Amador Valley Transit Authority, Union City Transit, Western Contra Costa Transit Authority and all STA-eligible transit operators in Marin, Napa, Solano and Sonoma counties.
9. Allocations to Solano county operators in the Small Operator/Northern Counties category shall follow concurrences by the Solano Transportation Authority to aid in transit service coordination and potential agency consolidation efforts.

10. Operators in the Small Operator/Northern Counties category shall match the Proposition 1B contribution with a 2:1 match (for every \$2 in Population-based funds, provide \$1 match of local/other funds). The Proposition 1B funds can be used as the local match for FTA projects.

Zero Emission Bus (ZEB) Program

11. Up to \$10 million in regional Surface Transportation Program and/or Federal Transit Administration formula funds will be directed to the ZEB program to fulfill program commitments.